

OFFSHORE TRACTS

TRACT 33252 - PORTION OF BLOCK 31, WEST CAMERON AREA, REVISED, Cameron Parish, Louisiana

That portion of Block 31, West Cameron Area, Revised, Cameron Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease as of March 14, 2001, described as follows: Beginning at the Westernmost Northwest corner of Block 31, West Cameron Area, Revised, having Coordinates of X = 1,435,725.85 and Y = 393,790.24; thence East 7,510.34 feet along the Northern boundary of said Block 31 to a point having Coordinates of X = 1,443,236.19 and Y = 393,790.24; thence North 3,698.32 feet along the West boundary of said Block 31 to its Northernmost Northwest corner having Coordinates of X = 1,443,236.19 and Y = 397,488.56; thence on the Northern boundary of said Block 31 the following courses: Southeasterly on a straight line to a point having Coordinates of X = 1,444,715 and Y = 396,930 and Southeasterly on a straight line to the Northeast corner of said Block 31 having Coordinates of X = 1,449,191.95 and Y = 395,017.43; thence South 7,902.60 feet along the East line of said Block 31 to a point having Coordinates of X = 1,449,191.95 and Y = 387,114.83; thence West 13,466.10 feet to a point on the West line of said Block 31 having Coordinates of X = 1,435,725.85 and Y = 387,114.83; thence North 6,675.41 feet along the West line of said Block 31 to the point of beginning, containing approximately 2,404.11 acres, as shown outlined and recorded on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates of title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, or which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and any conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on the

portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

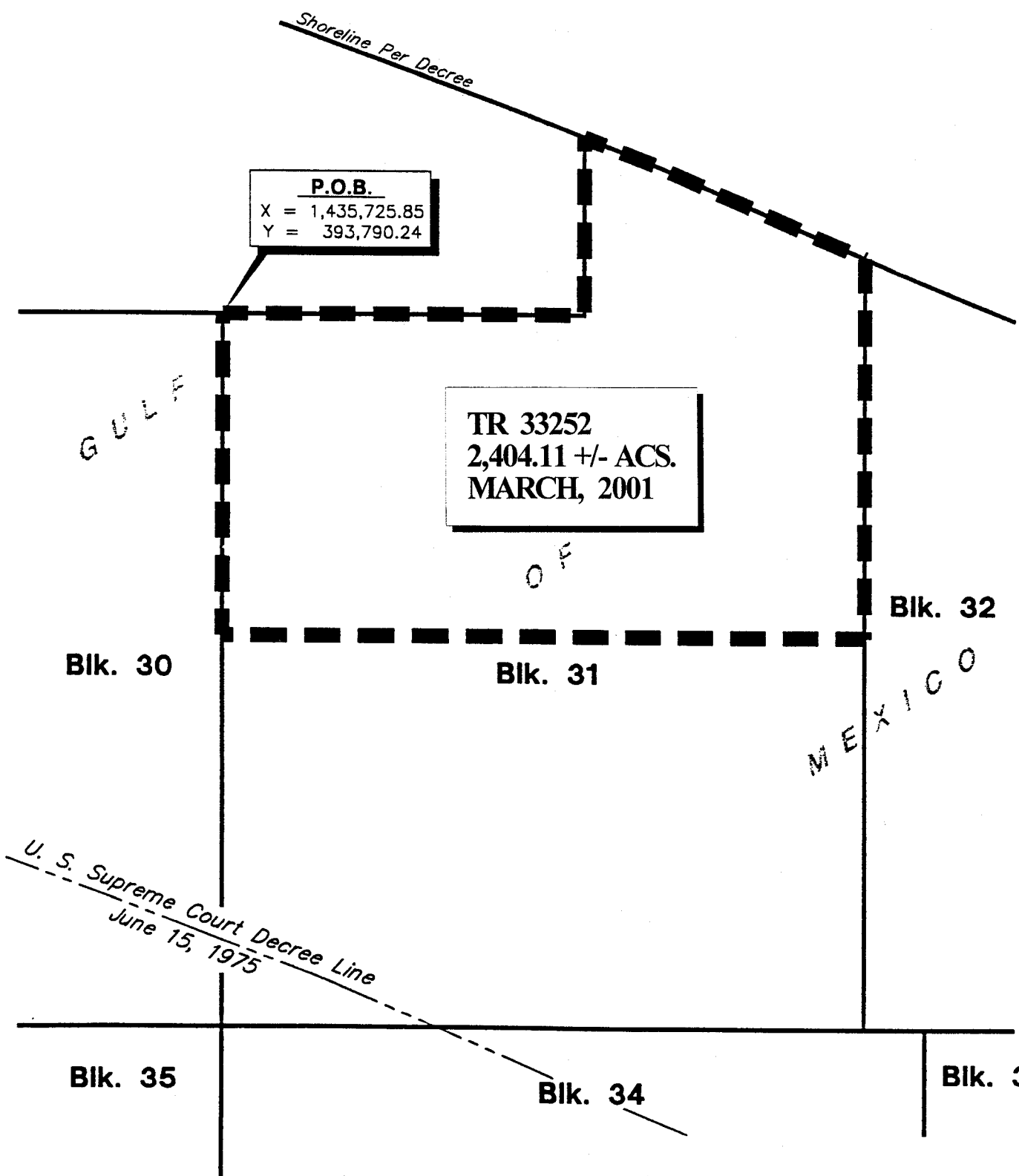
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee or its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: HEP Energy, Inc.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

WEST CAMERON AREA, REVISED

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CAMERON PARISH, LOUISIANA

SCALE : 1" = 3000'

TRACT 33253 - PORTION OF BLOCK 31, WEST CAMERON AREA, REVISED, Cameron Parish, Louisiana

That portion of Block 31, West Cameron Area, Revised, Cameron Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease as of March 14, 2001, described as follows: Beginning at the Southeast corner of Block 31, West Cameron Area, Revised, having Coordinates of X = 1,449,191.95 and Y = 379,032.19; thence West 9,012.94 feet along the South line of said Block 31 to a point having Coordinates of X = 1,440,179.01 and Y = 379,032.19, said point also being on the three mile boundary line as set out in the June, 1975, decree of the Supreme Court of the United States; thence along said three mile boundary line the following courses: Northwesteryly on a straight line to a point having Coordinates of X = 1,437,906 and Y = 380,003 and Northwesteryly on a straight line to a point having Coordinates of X = 1,435,725.85 and Y = 380,827.26, said point also being on the West line of said Block 31; thence North 6,287.57 feet along the West line of said Block 31 to a point having Coordinates of X = 1,435,725.85 and Y = 387,114.83; thence East 13,466.10 feet to a point on the East line of said Block 31 having Coordinates of X = 1,449,191.95 and Y = 387,114.83; thence South 8,082.64 feet to the point of beginning, containing approximately **2,404.11 acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, **LESS AND EXCEPT** that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The boundary description and plat for this tract as shown and as advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates of title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, or which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and all conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified

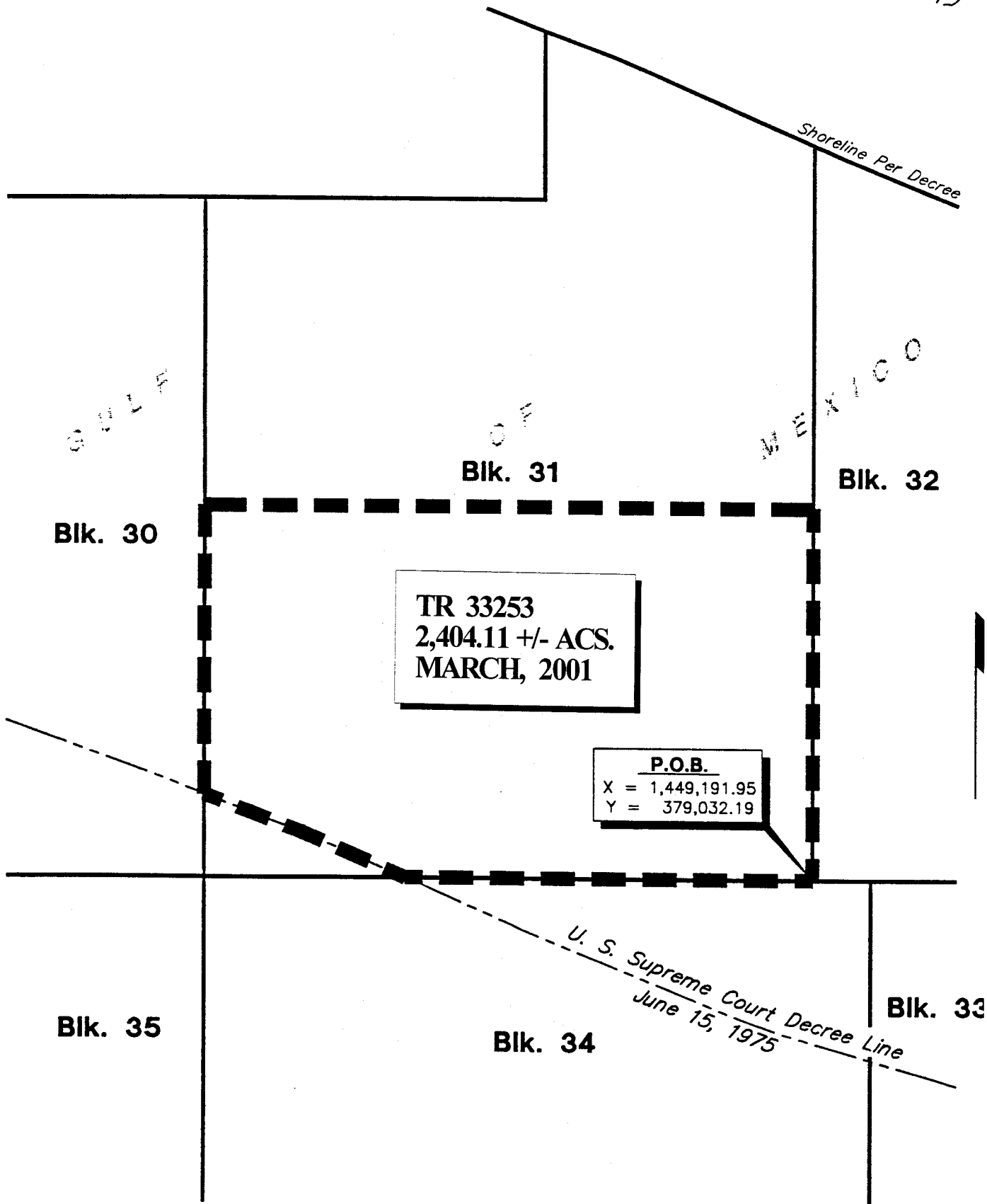
of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on the portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: HEP Energy, Inc.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

WEST CAMERON AREA, REVISED 15



CAMERON PARISH, LOUISIANA

SCALE : 1" = 3000'

TRACT 33254 - PORTION OF BLOCK 34, WEST CAMERON AREA, REVISED, Cameron Parish, Louisiana

That portion of Block 34, West Cameron Area, Revised, Cameron Parish Louisiana, belonging to the State of Louisiana and not under mineral lease as of March 14, 2001, described as follows: Beginning at the Northeast corner of Block 34, West Cameron Area, Revised, having Coordinates of X = 1,450,483.9 and Y = 379,032.19; thence South 3,913.85 feet on the East line of said Block 34 to a point; thence the following courses: Northwesterly on a straight line to a point having Coordinates of X = 1,449,142 and Y = 375,498; Northwesterly on an arc with a radius of 18,240.60 feet and a center at X = 1,454,105 and Y = 393,050 to a point having Coordinates of X = 1,447,394 and Y = 376,089; Northwesterly on a straight line to a point having Coordinates of X = 1,443,224 and Y = 377,739; Northwesterly on an arc with a radius of 18,240.60 feet and a center at X = 1,449,935 and Y = 394,700 to a point having Coordinates of X = 1,442,769 and Y = 377,926 and Northwesterly on a straight line to a point on the North line of said Block 34 having Coordinates of X = 1,440,179.01 and Y = 379,032.19; thence East 10,304.8 feet on the North line of said Block 34 to the point of beginning, containing approximately **493.55 acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant, **LESS AND EXCEPT** that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The boundary description and plat for this tract as shown and as advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates of title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, or which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and all conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view

the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on the portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: HEP Energy, Inc.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

WEST CAMERON AREA, REVISED

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Blk. 30

Blk. 31

Blk. 32

GULF

U. S. Supreme Court Decree Line
June 15, 1975

P.O.B.

X = 1,450,483.90
Y = 379,032.19

493.55 Acres

TR 33254
493.55 +/- ACS.
MARCH, 2001

Blk. 35

Blk. 34

Blk. 33

MEXICO

CAMERON PARISH, LOUISIANA

SCALE : 1" = 3000'